2 FRANKSTON STANDARD February 19, 1996

Turbulence via privatisation

A CONSEQUENCE of privatisation of our electric industry is turbulence — that is, ownership changes.

In September 1995, UtiliCorp United bought United Energy with AMP Insurance and the New South Wales State Superannuation Investment and Management Corporation for $1.15 billion.

By January 22, UtiliCorp United announced that it was merging with Kansas City Power and Light Company (KCPL).

KCPL provides electricity to Kansas City, Eastern Kansas and Western Missouri. UtiliCorp sells electricity and gas throughout the USA, Britain, Canada, Jamaica, New Zealand — and Australia.

Wall Street has approved the proposed merger — with the share price of each company increasing. Industry analysts have praised the merging of complementary strengths — KCPL's strong balance sheet and UtiliCorp's aggressive expansionism.

Together, UtiliCorp and KCPL will have about 2.2 million consumers and $US6.4 billion in assets. For the first nine months of 1995, reported revenues were, respectively, $US681.9 million for KCPL and $US1.13 billion for UtiliCorp.

What will it mean for United Energy's consumers? Ultimately, mergers are to create profits for investors and market dominance — not serve consumers.

— **David Griffiths**, Secretary, Co-operative Energy Ltd, 71 Franciscan Ave, Frankston.